

# GLOBAL & REGIONAL DAILY

August 10, 2023

## Global markets

European natural gas prices rose sharply, reaching a two-month high of €43.30/MWh yesterday following a hefty 39.5% daily increase, before dropping below €38/MWh earlier today, albeit still well above late July €25.40/MWh low, on news of a possible strike that could affect Australian LNG exports. Oil prices also edged up amid supply jitters, with Brent crude marking a fresh 6½ month high near \$88.10/bbl earlier today and approaching year-to-date highs of \$89.09/bbl marked in late January. Against this backdrop, EGBs came under pressure, with futures now assigning a 40% chance of a 25bps ECB rate hike in September, up from 30% earlier this week. On the flipside, the implied probability that the Fed's rate-hike cycle has come to an end increased above 50% amid rising expectations of a soft US landing scenario ahead of today's July CPI report, helping the EUR/USD to rise above 1.10 earlier today. Meanwhile, risk-off sentiment prevailed, also affected by China's data showing an annual decline in CPI in July for the first time in two years.

## Greece

Today ELSTAT is scheduled to announce the Industrial Production Index (IPI) for Jun-23. In the 2-month period from Apr-23 to May-23, the average IPI posted an annual increase of 2.9%, from a rise of 2.0% in Q1 2023, whereas compared to its average value in Q1 2023 retreated by 0.8% (+2.4% QoQ in Q1 2023). Similarly, the manufacturing production index increased on an annual basis by 3.2% in the period from Apr-23 to May-23, from a strong rise of 7.8% in Q1 2023, nevertheless dropped steeply (3.4%) relative to its average value in Q1 2023 (+2.8% QoQ in Q1 2023). Given that the S&P's Global PMI manufacturing index stood at 51.8 in Jun-23, from 51.5 in May-23, that is above the boom-bust threshold of 50, today's release by ELSTAT may reveal a solid performance of the manufacturing sector in Jun-23, contributing positively on the annual growth rate of real GDP in Q2 2023.

## CESEE

The external goods balance improved in June in Cyprus and Hungary, thanks to higher exports and declining imports in both cases. Specifically, exports of goods widened by 9.3%YoY, after a 13.9%YoY fall in May, whereas imports shrunk by 18.3%YoY, the strongest fall so far in 2023. As a result, the goods deficit narrowed by 27.2%YoY. The June improvement is exclusively owed to the ships deficit, which was close to zero (€509k,) after an extraordinary deficit of €325.3mn a year ago. On the contrary, the deficit in all the other goods categories widened by 13.3%YoY, due to higher imports (+7.2%YoY) and fewer exports (-6.6%YoY). The Q2-2023 balance improved by 15.9%YoY, after a worsening of 57.1%YoY in Q1. In Hungary, imports shrunk for a third consecutive month, by 4.7%YoY, as in May, while the expansion in exports accelerated to 11.1%YoY from 6.2%YoY a month earlier, resulting to a surplus of €1.48bn compared to a deficit of €440mn a year ago. In Q2-2023 the goods balance was positive by €2.98bn, against a surplus of 1.05bn in Q1.

## Contributing Authors:

**Paraskevi Petropoulou**  
Senior Economist  
[ppetropoulou@eurobank.gr](mailto:ppetropoulou@eurobank.gr)

**Dr. Stylianos G. Gogos**  
Research Economist  
[sgogos@eurobank.gr](mailto:sgogos@eurobank.gr)

**Michail Vassileiadis**  
Research Economist  
[mvasileiadis@eurobank.gr](mailto:mvasileiadis@eurobank.gr)

## Research Team



**Dr. Tasos Anastasatos** | Group Chief Economist  
tanastasatos@eurobank.gr | + 30 214 40 59 706



**Dr. Dimitrios Exadaktylos**  
Economic Analyst  
v-dexadaktylos@eurobank.gr  
+ 30 214 40 63 449



**Dr. Stylianos Gogos**  
Research Economist  
sgogos@eurobank.gr  
+ 30 214 40 63 456



**Maria Kasola**  
Research Economist  
mkasola@eurobank.gr  
+ 30 214 40 63 453



**Paraskevi Petropoulou**  
Senior Economist  
ppetropoulou@eurobank.gr  
+ 30 214 40 63 455



**Dr. Theodoros Rapanos**  
Research Economist  
trapanos@eurobank.gr  
+ 30 214 40 59 711



**Symeoni – Eleni Soursou**  
Junior Economic Analyst  
ssoursou@eurobank.gr  
+ 30 214 40 65 120



**Dr. Theodoros Stamatou**  
Senior Economist  
tstamatou@eurobank.gr  
+ 30 214 40 59 708



**Michail Vassileiadis**  
Research Economist  
mvassileiadis@eurobank.gr  
+ 30 214 40 59 709

**More available research at:** <https://www.eurobank.gr/en/group/economic-research>

**Subscribe electronically at:** <https://www.eurobank.gr/el/omilos/oikonomikes-analuseis/forma-ekdilosis-endaiferontos>

**Follow us on twitter:** [https://twitter.com/Eurobank\\_Group](https://twitter.com/Eurobank_Group)

**Follow us on LinkedIn:** <https://www.linkedin.com/company/eurobank>

### DISCLAIMER

This report has been issued by Eurobank S.A. ("Eurobank") and may not be reproduced in any manner or provided to any other person. Each person that receives a copy by acceptance thereof represents and agrees that it will not distribute or provide it to any other person. This report is not an offer to buy or sell or a solicitation of an offer to buy or sell the securities mentioned herein. Eurobank and others associated with it may have positions in, and may effect transactions in securities of companies mentioned herein and may also perform or seek to perform investment banking services for those companies. The investments discussed in this report may be unsuitable for investors, depending on the specific investment objectives and financial position. The information contained herein is for informative purposes only and has been obtained from sources believed to be reliable but it has not been verified by Eurobank. The opinions expressed herein may not necessarily coincide with those of any member of Eurobank. No representation or warranty (express or implied) is made as to the accuracy, completeness, correctness, timeliness or fairness of the information or opinions herein, all of which are subject to change without notice. No responsibility or liability whatsoever or howsoever arising is accepted in relation to the contents hereof by Eurobank or any of its directors, officers or employees. Any articles, studies, comments etc. reflect solely the views of their author. Any unsigned notes are deemed to have been produced by the editorial team. Any articles, studies, comments etc. that are signed by members of the editorial team express the personal views of their author.

